

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 487 - HB 1564

March 27, 2009

SUMMARY OF BILL: Authorizes workers' compensation penalties to be abated and then voided after one year if an employer obtains and maintains workers' compensation coverage during the one year time frame.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$1,062,800

Increase State Expenditures – Not Significant

Assumptions:

- FY07-08 penalty collections from employers not maintaining workers' compensation coverage totaled approximately \$1,417,000.
- The Department of Labor and Workforce Development (LWFD) estimates a 75 percent reduction in penalty collections. As a result, there will be a decrease in state revenue of \$1,062,750 ($\$1,417,000 \times 75\% = \$1,062,750$)
- LWFD will not require additional staff. Any increase in administrative expenditures to monitor such employers is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/cce